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INVESTMENT
DIVISION
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ANNUAL REPORT

OF

THE C. O. BARTLETT & SNOW COMPANY

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Fiscal Year Ending December 31, 1950

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CLEVELAND, OHIO
U. S. A.



THE C.O. BARTLETT & SNOW COMPANY

DESIGNERS AND BUILDERS OF
MATERIAL HANDLING AND PROCESSING EQUIPMENT

6200 HARVARD AVENUE
CLEVELAND 5, OHIO. U.S.A.

February 26, 1951.

To the Shareholders:

The Balance Sheet for 1950 sets forth sufficient information to judge of the financial condition of your Company; the Condensed Comparative Summary of Income included therewith, presents a fair idea of relative costs for three consecutive years of certain divisions of our operations for major items of expense in making our products. Also is shown earnings from Plant Operations only, and overall Net Earnings after deducting estimated taxes.

The Net Earnings from Plant Operations amounted to \$86,412.87, which is approximately one-third similar earnings for 1948, and about two-thirds earnings for 1949.

The figures submitted were prepared by Mr. Urban von Rosen, Chartered Accountant.

Sales for 1950 were greater than in 1949 by \$208,918.78; however, manufacturing costs for 1950 were proportionately higher than in 1949. This comparison is drawn to your attention to give some idea of problems confronting management in making an effort to produce a profit.

At the time of making most of our sales we had every good reason to believe such sales would produce satisfactory earnings. However, expenses are frequently beyond our control, and many cannot be anticipated when establishing our prices.

Increases in sales, engineering and administrative expenses are proportionately less than the increase in billed sales volume, although booked sales for 1950 were the largest in the history of the Company.

The Company's income from sources other than Plant Operations was almost double the amount earned in 1949, materially contributing to our overall Net Earnings.

The income just referred to, which was not produced from the sale of products made by the Company, cannot be relied upon for future earnings, as same is unpredictable, due to the fact the contract with the City of Syracuse, which produced most of the Other Income, comes to an end this year unless the City decides to again re-advertise for bids and we are successful in procuring another five-year contract to dispose of that City's refuse.

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A contributing factor to reduced earnings for 1950 is attributable to the relatively small backlog of unfilled orders at the end of 1949, and a rather serious falling off experienced in orders booked during the first four months of 1950.

It can now be said that four predictions made in last year's letter to shareholders became facts in our 1950 operations, namely:

1. In 1950 we booked our greatest volume of orders for Dryers, Calciners, Coolers and Kilns.
2. Foundry Equipment Division sales exceeded any previous year's volume of like business.
3. Public Utility Power Plants produced many sizable Coal Handling orders.
4. The Corn Sheller Division exceeded any past performance in dollars of sales.

During the past few years we have been estimating and pricing our products on a more realistic basis and budgeting our expenses accordingly, all in accordance with a well considered formula, and have reason to believe such procedure is best to follow.

We are hopeful of broadening our future contacts so as to procure more customers and serve more industries - this with a view of trying not to limit our sales to a few large customers - all as a protective measure in case certain industries we serve are restricted in the future in their expansion programs, and to have others we can serve equally well.

The year 1951 having an exceptionally large backlog of orders remaining from booked sales of 1950, also many sizable orders received since December 31, 1950, leads us to believe we should be able to show satisfactory earnings for 1951, providing we are able to procure adequate materials for our manufacturing program, and suitable personnel to do the work.

It may be of interest to learn that, if everything breaks well for us, we are hopeful of billing in 1951, sales of \$5,150,000.00, and book new orders in the amount of \$4,000,000.00, and have budgeted our expenses accordingly.

Having apportioned our expenses to accomplish the foregoing, and failing in our efforts to build up both our billed and booked sales to the levels indicated herein, could produce a serious problem for management. Therefore, caution and cooperation between sales and production must be everyone's forethought.

Our financial affairs are in good shape, and our staff has served us exceptionally well and faithfully.

Yours very truly,

H. S. Hersey
President.

THE C. O. BARTLETT & SNOW COMPANY

BALANCE SHEET

DECEMBER 31, 1950

ASSETS

Current:

Cash		\$ 55,531.98
Temporary Cash Investments & Accrued Interest		150,363.85
Accounts, and Notes Receivable		
Customers	\$ 547,078.55	
Less: Allowance for Doubtful Accounts	3,500.00	543,578.55
Inventories:		
Raw Materials	255,727.81	
Contracts in Process	324,126.31	
Finished Goods	130,152.65	710,006.77
Total Current Assets		<u>1,459,481.15</u>

Other:

Accounts Receivable & Advances -		
Miscellaneous	3,195.92	
Expense Orders in Process	<u>2,852.36</u>	6,048.28

Cobwell Reduction Company, Inc. - 51% Owned

Capital Stock - Common - At Cost		510.00
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Permanent:

Land	78,376.14	
Plant and Equipment - As Appraised -		
For Depreciated Cost	1,052,141.56	
Patents & Drawings	<u>1.00</u>	1,130,518.70

Deferred:

Insurance Deposit - Protection Mutual		
Fire Insurance Company - Less		
Note Secured Thereby	2,102.40	
Other Unexpired Insurance	2,288.92	
Air Travel Card Deposit	425.00	
Prepaid Interest	<u>201.08</u>	<u>5,017.40</u>

TOTAL ASSETS

\$2,601,575.53

THE C. O. BARTLETT & SNOW COMPANY

BALANCE SHEET

DECEMBER 31, 1950

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable -- Trade	\$ 168,584.56
Estimated Federal Income Tax Payable	94,812.56
Taxes -- Other Than Federal Income -- Accrued and Payable	34,606.98
Accounts Payable -- Miscellaneous	34,014.30
Accrued Wages and Commission Payable	31,456.67
Provision for Further Costs on Contracts	8,750.00
Total Current Liabilities	<u>372,225.07</u>

Capital:

Capital Stock -- 5% Preferred -- \$100.00 Par Value	
Authorized -- 1,680 Shares	
Issued -- 1,034 Shares	\$ 103,400.00
Capital Stock -- Common -- No Par	
Declared Value -- \$10.00 Per Share	
Authorized -- 20,000 Shares	
Issued -- 14,992 Shares	<u>149,920.00</u>
	253,320.00

Surplus:

Surplus from Appraisal:

Land	\$ 30,866.00
Plant and Equipment	801,767.04
Patents and Drawings	<u>1.00</u>
	832,634.04

Paid-In Surplus	111,805.68
Earned Surplus	<u>937,161.48</u>
	1,881,601.20

Surplus Reserves:

For Improvement to Plant Facilities	71,861.76
For Modernizing Standard Products and Catalogs	<u>22,567.50</u>
	<u>94,429.26</u>
	2,229,350.46

TOTAL LIABILITIES AND CAPITAL

\$2,601,575.53

THE C. O. BARTLETT AND SNOW COMPANY

CONDENSED SUMMARY OF INCOME

	<u>1948</u>	<u>1949</u>	<u>1950</u>
Charges to Customers for Equipment Sold and Services Rendered	<u>\$3,262,200.09</u>	<u>\$2,323,549.71</u>	<u>\$2,532,468.49</u>
Cost of All Materials, Supplies, Services, Labor and Expenses Necessary to Make the Company's Products Available for Sale	<u>2,377,721.45</u>	<u>1,657,732.97</u>	<u>1,891,998.95</u>
Cost of Services, Supplies, Labor and Expenses Necessary to Engineer the Company's Products and to Induce the Customers to Buy	<u>307,714.79</u>	<u>297,696.57</u>	<u>308,966.90</u>
Costs of General Administration	<u>142,083.15</u>	<u>156,273.78</u>	<u>161,888.77</u>
Total Plant, Engineering and Administrative Costs	<u>2,827,519.39</u>	<u>2,111,703.32</u>	<u>2,362,854.62</u>
Net Earnings from Operations - Before Federal Income Taxes	<u>434,680.70</u>	<u>211,846.39</u>	<u>169,613.87</u>
Estimated Federal Income Taxes	<u>165,604.57</u>	<u>80,927.53</u>	<u>83,201.00</u>
<u>Net Earnings from Operations</u>	<u>269,076.13</u>	<u>130,918.86</u>	<u>86,412.87</u>
Income from Sources Other Than Plant Operations	<u>66,749.45</u>	<u>34,351.41</u>	<u>66,661.58</u>
Estimated Federal Income Taxes on this Income	<u>12,141.54</u>	<u>10,857.17</u>	<u>11,611.56</u>
<u>Net Other Income</u>	<u>54,607.91</u>	<u>23,494.24</u>	<u>55,050.02</u>
<u>Total Net Income</u>	<u>\$ 323,684.04</u>	<u>\$ 154,413.10</u>	<u>\$ 141,462.89</u>

